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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF PHILIPPINES

IPF:(1993-97) $40 327 000

(PHI/92/008) - Development of Social Security Protection in Government Service

Date of approval by the AC:[1]	30 June 1993
Expected duration:	15 months
Proposed executing agency:	Government
Government implementing agency:	Government Service Insurance System & NEDA
Proposed UNDP contribution:	$435 100 Source of funds: IPF
Total UNDP budget:	$435 100

Project background

In the Philippines, there are four laws that implement the citizens' social security rights, namely, the Social Security Law; the Revised Government Service Insurance Act; the Revised Philippine Medicare Act; and the Law on Employees' Compensation. These laws constitute the Philippine social security system, which also provide the bases for various social security programmes. There are two agencies mandated by the legislation to implement the provisions of these laws. They are the Social Security System (SSS) and the Government Service Insurance System (GSIS). The former provides social security protection to the private sectors, while the latter provides social security benefits and insurance services to permanent government employees. This project will address the social security system for the public sector (GSIS).

Although a good range of social security benefits has been built up, the system of social security protection of government personnel does not meet desired standards with respect to adequacy, equity and uniformity. In terms of adequacy, the average GSIS monthly pension of P908 as at 1991 is very much lower than the poverty level of P2,960 (1988; for a family of six). Improvements in benefits are constrained by resource limitations. Existing social security benefits are not uniform across the government service. Various types of social security benefits have been added to the original GSIS insurance and pension schemes. A large group of government employees classified as casual or temporary is left out of the main social security programmes. These have resulted in a piecemeal rather than an integrated approach in paying benefits. Moreover, the very centralized organizational structure of the social security agencies contribute to the significant delay in the

[1] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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processing and approval of claims and causes considerable dissatisfaction and hardship amongst the applicants. The Fifth Medium-Term Philippine Development Plan (MTPDP) for 1987-1992 and the MTPDP for 1993-1997 call for regular review, upgrading, expansion and harmonization of the country's social security programmes within the provisions of the legislations, for the benefit of its people.

Description of project

The immediate objectives of the project are to: (a) improve the standards of social security protection for government personnel, through provision of external technical assistance to GSIS toward restructuring its benefit system; and (b) establish a more adequate, equitable, uniformed social security system.

Project activities will include the production of: (i) proposals on the restructuring of the GSIS system of social security and other benefits on a more cost-effective, equitable and uniform basis, including proposal on extension of coverage for casual and non-permanent government employees; (ii) studies on the transferability of benefits between GSIS (public sector) and SSS (private sector) schemes, and proposals for possible changes to the legislation; (iii) proposed guidelines for decentralization of social security functions; and (iv) revised procedures for data collection, record maintenance, claim processing, and payment of benefits. The administrative system will be improved to increase efficiency by decentralizing the delivery of services. In addition, the project will develop the human resources of the GSIS, through management and supervisory training both within and without the country. Finally, a comprehensive review of all social security programmes will be undertaken to assist policy-makers in formulating an integrated and comprehensive social protection policies and delivery mechanisms for the entire population, particularly for the low income population.

Inputs

UNDP will provide the services of international experts in social security planning and administration (15 work-months), and supervisory and management training (six work-months), ten fellowships and study tours for GSIS and NEDA personnel; a subcontract for a comprehensive review of social protection schemes by a national institution; and miscellaneous costs.

Financial data

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Personnel	299 200
Subcontract	50 000
Training	76 500
Miscellaneous	9 400
Total	435 100

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